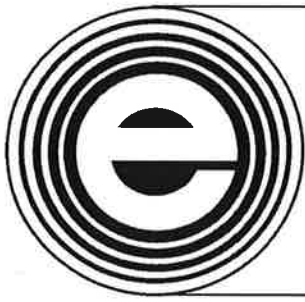




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May 4, 2015

BY EMAIL & BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2014-0116
Toronto Hydro-Electric System Limited 2015 Rates
Energy Probe – Technical Conference May 6th

Pursuant to the Decision and Procedural Order No. 10, issued April 29, 2015, attached please find a spreadsheet created by Dr. Higgin, consultant to Energy Probe Research Foundation (Energy Probe) in the EB-2014-0116 proceeding.

The spreadsheet will be used by Energy Probe in the Technical Conference on May 6, 2015 and will require an exhibit number.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Amanda Klein, Toronto Hydro (By email)
Daliana Coban, Toronto Hydro (By email)
Charles Keizer, Torys LLP (By email)
Crawford Smith, Torys LLP (By email)
Roger Higgin, Consultant to Energy Probe (By email)
Peter Faye, Consultant to Energy Probe (By email)
Interested Parties (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: EnergyProbe@nextcity.com Internet: www.EnergyProbe.org

Energy Probe Exhibit K		COMPARISON OF THESL AND CARRIERS' PROPOSED COST ALLOCATION							
		THESL		Carrier's Consultants					
		Base Case	Blackwell			Brown	Ware		
		Ex8T2S1 AppB*	Evidence			Evidence	Evidence		
		Equal Allocation	Proportional	References		Page 8	FDC Allocation		
	Key Assumptions								
	Attachers/Pole (excl THESL)	1.61	2.51			3	2.51		
	# of poles with Attachments	93461	93461	Table 19		?			
	# of "Wireline" Poles	58050	46405	Ibid		?			
	Total # Poles	135,936	135,986	para 175		?	175,000		
	Direct Costs								
A	Administration Costs	5.03	2.27	Table 4 para 77		1.54			
B	Loss in Productivity	5.72	0.40	Table 7 para 104		0.33			
C	Subtotal Direct Costs	10.75	2.67			1.87			
	Indirect Costs								
D	Net embedded cost/pole	1922.08	1574.50	Table 10 para 134		967.30			
E	Depreciation Expense	58.64	42.30	Table 11 Para 148		21.50			
F	Pole Maintenance Expense	5.46	4.77	Table 15 para 164		4.77			
G	Capital Carrying Cost	118.98	97.46	Table 16 para 168		59.80			
H	Subtotal Indirect cost/pole	183.08	144.53			86.07			
I	Allocation Factor	0.305	0.218	Table 20 para 200		0.125	0.157		
J	Indirect Cost /Pole	55.75	31.51						
	Indirect Cost/Attacher	34.63	31.45?	ibid Table 20		10.80			
K	Estimated Annual Cost	66.50	25.17	para 202		12.67			

*Updated April 2015